

State of Alaska FY2003 Governor's Operating Budget

Department of Labor and Workforce Development Performance Measures

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Commissioner: Ed Flanagan

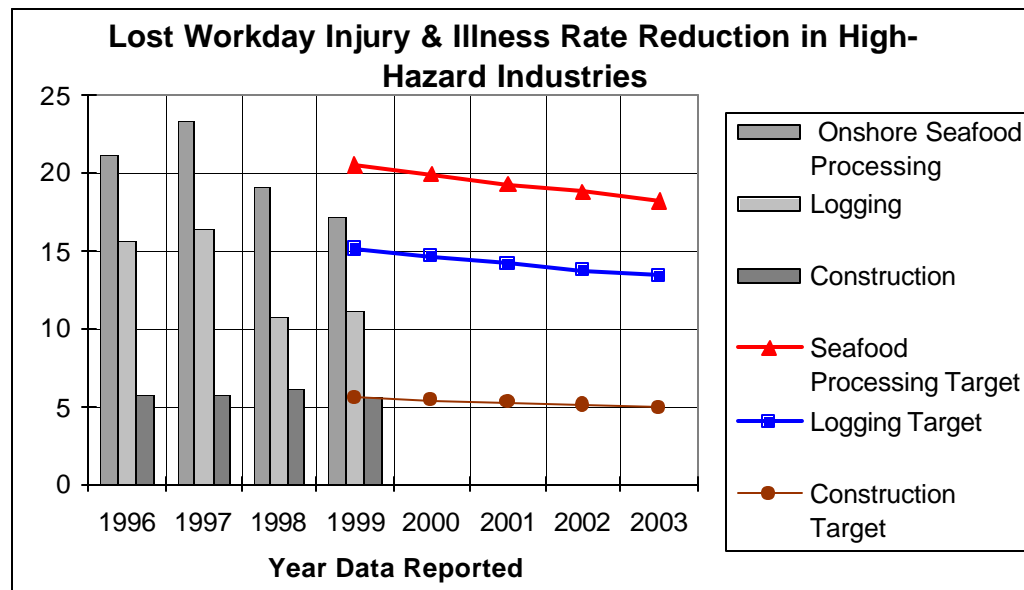
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Governor's Key Department-wide Performance Measures for FY2003**Measure:**

The number of lost workdays in high-hazard industries, including seafood processing, logging, and construction.
 Sec 91(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The target is to reduce injuries and illnesses in each of three high hazard industries by 15% over five years (~3% per year) by focusing on those workplaces with the highest injuries and illnesses. Targeted industries are construction, logging, and seafood processing.

Bureau of Labor Statistics Lost Workday Injury & Illness Rates for Selected Industries

	1996	1997	1998	1999	%Change 1996-1999
All Private Sector	4.1	4.2	3.9	3.8	(7.3%)
Construction	5.7	5.7	6.1	5.6	(1.8%)
Logging	15.6	16.4	10.8	11.1	(28.8%)
Onshore Seafood Processing	21.2	23.3	19.1	17.1	(19.8%)

Bureau of Labor Statistics (BLS) statistics reflect the previous calendar-year activity, not the previous budget-year activity. Because the data is reported in December of the following year, the lag is nearly two years. Targets were derived using 1996 data (latest available at that time) reduced by 3% to set the 1999 target and applying a 3% reduction to each following year. The above injury and illness rates are per 100 full time workers and all data is based on calendar years.

Benchmark Comparisons:

We have been unsuccessful in obtaining useful comparison statistics from other states. Other states use different target industries. Even though we use the same industries as the federal government, they obtain their statistics on a different set of specific criteria, which makes a comparison invalid at this time. The targets shown are the federal grant performance measures for the department.

Background and Strategies:

The Alaska Occupational Safety & Health program is involved in on-going efforts to integrate compliance assistance with enforcement strategies in order to better direct the resources of the program toward high-hazard industries and workplaces, and toward the particular hazards and issues that cause accidents or represent recognized threats to worker safety and health. Success in this area will result in reductions in lost workdays due to job-related illness or accidents.

The department wishes to work with the legislature to revise this measure. As stated in statute this measure calls for the number of lost workdays. The department would like this to be revised to measure incidence rates. This change would align the measure with the program's federal grant performance measure. Also the department and federal government utilize rates in all other reporting and measuring functions.

Measure:

The number of registered clients who enter employment after receiving services through an Alaska Job Center.
Sec 87(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Increase to 37% the number of registered clients who entered employment after receiving service through an Alaska Job Center. For State FY2001, 36.3% of served clients have entered employment.

Benchmark Comparisons:

The benchmark was established at 31.6% by averaging the last two completed fiscal years (2000 and 2001). The percentage was lower in FY00 (28.5%) than in FY01 (34.7%), as it is economy driven. Success in reaching this target will require our adopting new and additional strategies and applying further resources to the goal.

Note: This benchmark is based on Alaska averaging because the U.S. Department of Labor did not have ES Performance Standards in prior years.

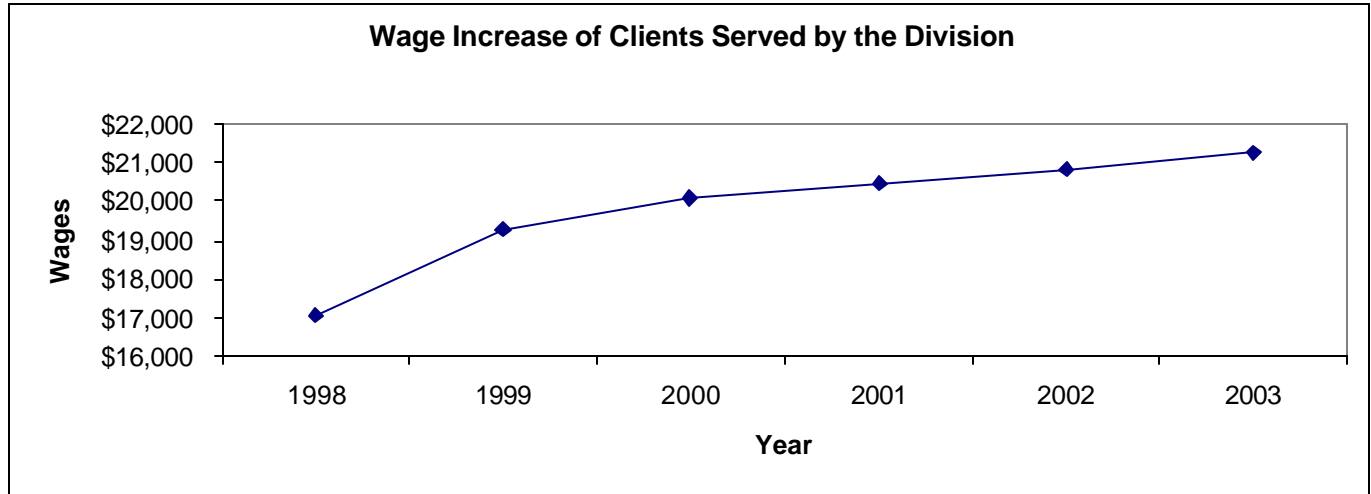
Background and Strategies:

Staff-assisted service is necessary to increase the probability of a registered client entering employment. Emphasis will be placed on the following strategies:

1. Staff-assisted job search support, such as referrals, resume writing, case management, interviewing techniques and other workshops and activities that will help clients enter employment;
2. Tracking of services provided in the statewide management information system;
3. Outreach to employers and rural job seekers;
4. Marketing services to employers, job seekers, and communities.
5. Surveys to employers and job seekers to gauge their satisfaction, and continuously improve services.

Measure:

The increase in wages of clients who are served by the Vocational Rehabilitation Division.
 Sec 92(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Increase the annual wages of clients served. The average annual wage earned by Alaskans with disabilities that received services increased from \$20,084 in FY00 to \$20,425 in FY01. For FY02 and FY03 the program will work to increase the average annual wage by 2% each year. This would be to \$20,834 in FY02 and \$21,250 in FY03.

Benchmark Comparisons:

In FY98 the program established a base amount of \$17,062 for the average annual earnings of individuals with disabilities placed in the workforce.

Background and Strategies:

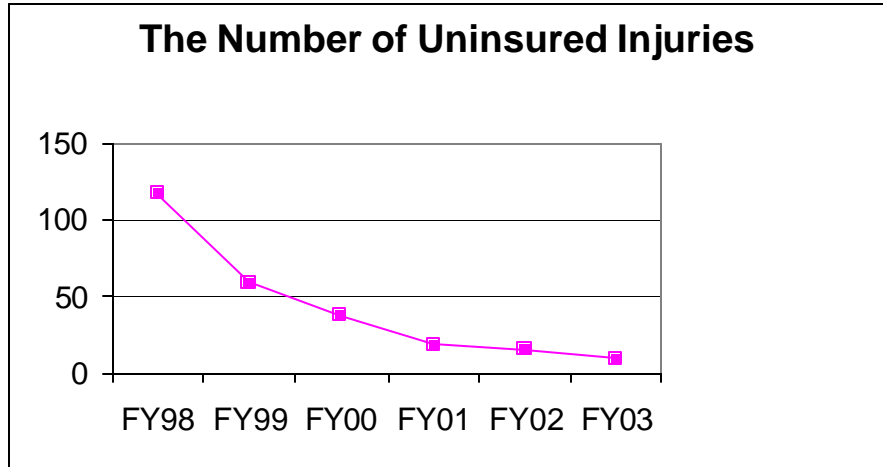
The program will consider that an individual has achieved an employment outcome when the following have been met:

- a) The provision of services under the individual's Individual Plan for Employment (IPE) contribute to the achievement of the employment.
- b) The employment is in the most integrated setting possible and is consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.
- c) The individual has maintained the employment for a period of at least 90 days.

Counselors will emphasize placing clients in well paying jobs with employee benefits.

Measure:

The number of uninsured workplace injuries.
Sec 90(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Reduction of uninsured injuries

FY98 - 117

FY99 - 59

FY00 - 38

FY01 - 19

FY02 - 15 (projections)

FY03 - 10 (projections)

Benchmark Comparisons:

Since the law says that all employers must insure all their employees the benchmark for this must be zero uninsured injuries.

Background and Strategies:

Because of the rise of uninsured injuries the Division hired an investigator in FY99. The investigator performs investigations and promotes legal compliance through computer generated information inquiries, letters to uninsured employers, on site investigations, cease and desist orders, accusations before the Workers' Compensation Board, testimony before the Board which leads to stop orders and fines, and presentation of evidence and testimony in criminal prosecutions through the Department of Law. These activities have been greatly enhanced by the new computer system.

Employment Security Budget Request Unit

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Key Performance Measures for FY2003

Measure:

The number of registered clients who enter employment after receiving services through an Alaska Job Center.
Sec 87(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Increase to 37% the number of registered clients who entered employment after receiving service through an Alaska Job Center. For State FY2001, 36.3% of served clients have entered employment.

Benchmark Comparisons:

The benchmark was established at 31.6% by averaging the last two completed fiscal years (2000 and 2001). The percentage was lower in FY00 (28.5%) than in FY01 (34.7%), as it is economy driven. Success in reaching this target will require our adopting new and additional strategies and applying further resources to the goal.

Note: This benchmark is based on Alaska averaging because the U.S. Department of Labor did not have ES Performance Standards in prior years.

Background and Strategies:

Staff-assisted service is necessary to increase the probability of a registered client entering employment. Emphasis will be placed on the following strategies:

1. Staff-assisted job search support, such as referrals, resume writing, case management, interviewing techniques and other workshops and activities that will help clients enter employment;
2. Tracking of services provided in the statewide management information system;
3. Outreach to employers and rural job seekers;
4. Marketing services to employers, job seekers, and communities.
5. Surveys to employers and job seekers to gauge their satisfaction, and continuously improve services.

Measure:

The timeliness of initial payments to unemployment insurance claimants.
Sec 87(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Maintain or exceed the timeliness benchmark of 95% of the first payments issued within 35 days following the end of the first compensable week to unemployment insurance claimants. In FY2001, 97.2% of first payments were issued under these timeframes.

Benchmark Comparisons:

The federal performance measure is prompt payment of unemployment insurance (UI) benefits, with 95% of first payments issued within 35 days following the end of the first compensable week.

Background and Strategies:

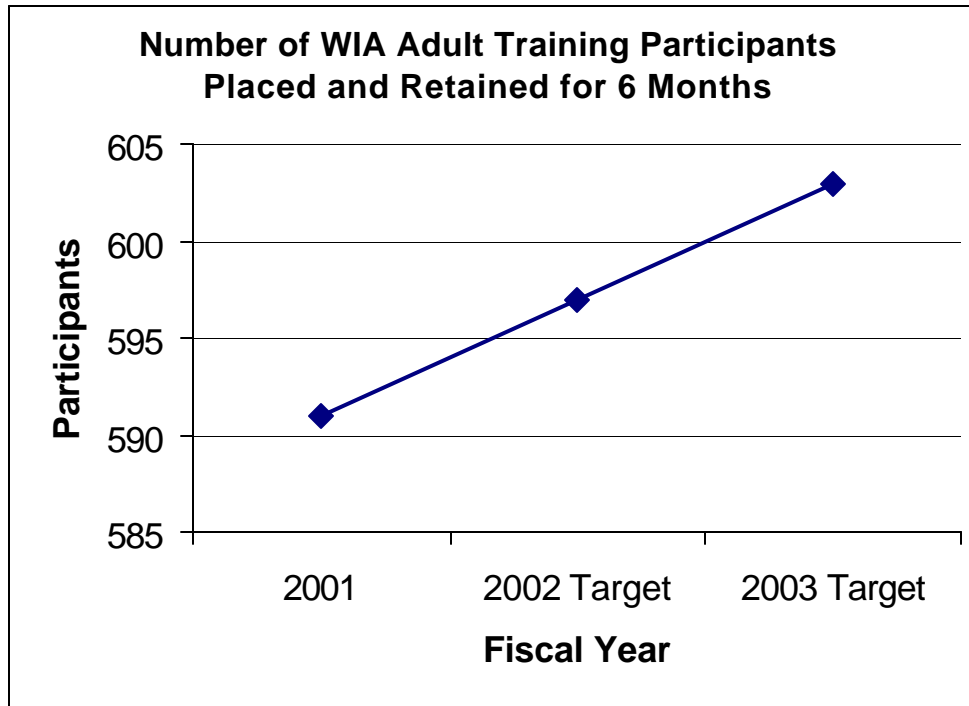
To monitor the promptness of UI benefit payments, first payment time lapse measures the number of days from the week ending date of the first compensable week in the benefit year to the date the payment is made. This includes payments made by direct deposit; mail and in-person or those used to offset prior overpayments.

Strategies planned to ensure first payment timeliness include:

- Continue development of UI Intranet to improve resources used by front line staff.
- Enhance technology to improve timeliness of data transfer for ex-service members.
- Expedite electronic out-of-state wage information requests and transfers to facilitate timely payment of benefits.

Measure:

The number of individuals who enter and retain employment at least six months after receiving training from the division.
Sec 87(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Historically, Alaska's Federal Job training program's employment and retention numbers have averaged 684 participants under the final three years of the Job Training Partnership Act, (JTPA). This is for the time period from FY98, 99 and 2000. The Workforce Investment Act (WIA) was implemented in FY2001, and our number of training participants who left the program, entered employment and were retained in that employment for at least 6 months was 591. In keeping with our federally negotiated performance standards, we propose to increase that figure by 1% in FY2002 and 1% in FY2003.

Benchmark Comparisons:

Because the Federal government does not require or negotiate performance standards expressed in raw numbers of participants, there is no national benchmark to emulate. For purposes of addressing this State standard, we propose to establish the performance from FY 2001 as the benchmark, as it fairly represents the first full year of WIA implementation. That benchmark would therefore be 591 participants who after training, become employed and retain their employment for at least 6 months. As with all of our USDOL performance standards, we are committed to continuous improvement, and will set a goal of a 1% increase each year.

Background and Strategies:

The Workforce Investment Act of 1998 requires that all States receiving Federal funds must develop measurable performance outcomes. Because of potential fluctuations in both the State and national economy, shifts in the funding levels, recisions, grant performance and carry forward, there are many variables that can affect the total number of clients served and the end results in any given year. The Federal government recognizes this, and therefore does not use this as a set performance standard.

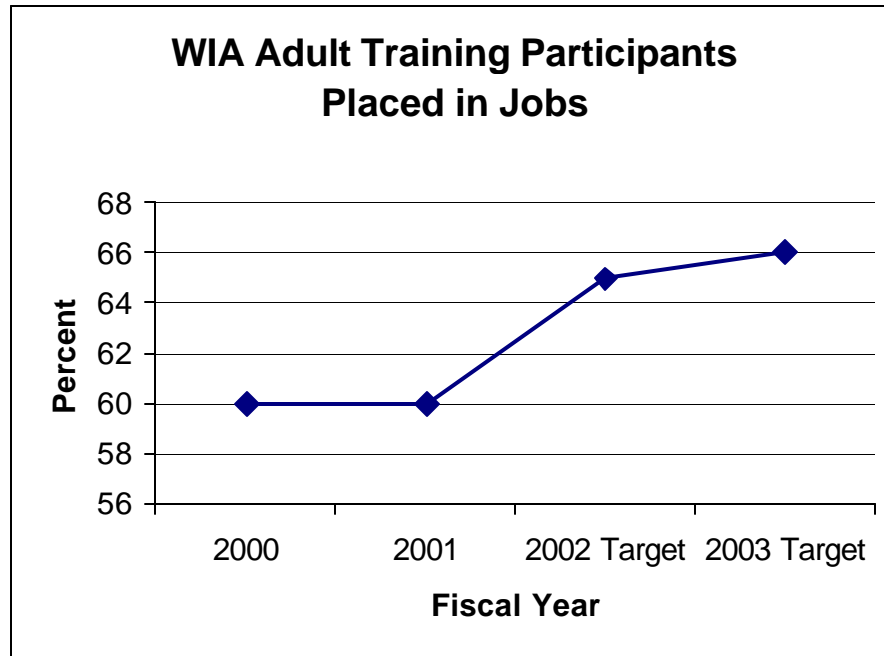
This performance measure is based on the number of clients and was proposed by the Legislature in FY2002. Both the Division and USDOL believe that measurable performance measures should be based on percentages not numbers of clients. The Division has addressed the WIA performance measures based on percentages in section

87(b)(4) and 87(b)(5). Since this performance measure does not lend itself to useful or meaningful evaluation and we have addressed the WIA program issue with two other performance measures based on percentages, we recommend that this performance measure be deleted.

Measure:

The percentage of eligible WIA Adult Job Training participants who are placed into full-time unsubsidized jobs.
Sec 87(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



Increase the employment percentage goal to 66% placement into full time, unsubsidized jobs of eligible WIA Title I Adult Job Training participants. For FY02 and FY03 the employment goals for Adult WIA Title I participants will be measured against the Federal U.S. Department of Labor negotiated performance standards under the WIA. Historically, Alaska's program employment percentage has been 60.8% of WIA Title I Adult participants placed into full time unsubsidized jobs. During FY 01 Alaska achieved an overall percentage of 60% of all WIA Title I funded adults placed into full time, unsubsidized jobs.

Benchmark Comparisons:

For FY02, the target national employment percentage average of Adult WIA Title I participants placed into full time unsubsidized jobs is 65%. The USDOL performance standards are committed to continuous improvement, with a goal of a 1 % increase each year.

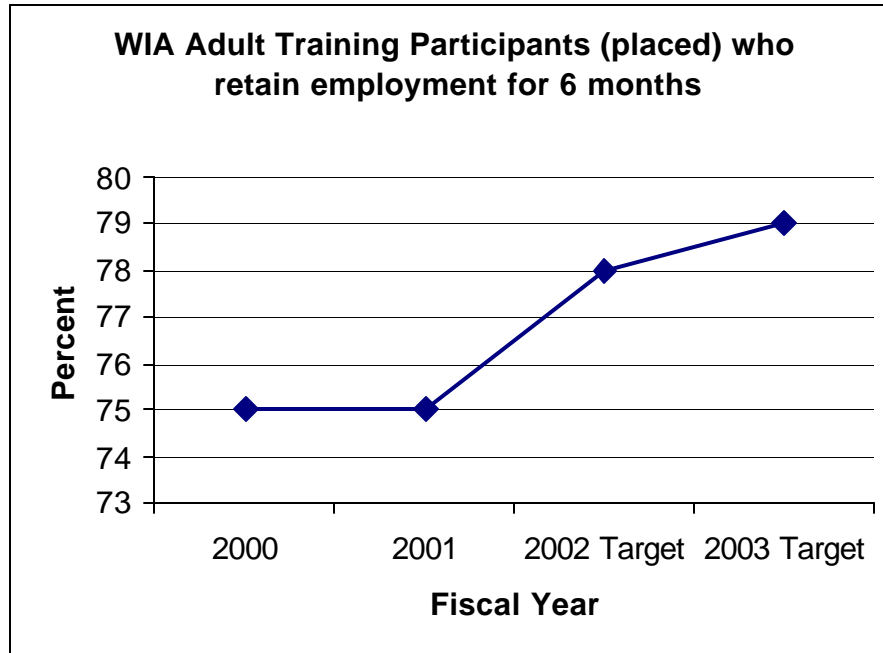
Background and Strategies:

The Workforce Investment Act of 1998 requires that all States receiving Federal funds must develop measurable performance outcomes. This measure is consistent with the Federal direction and expectations.

Alaska has developed appropriate job training, placement and retention strategies under the WIA State Unified Plan, to enable staff and selected service providers to successfully serve Alaska's unemployed and underemployed workers. Since 1999, the USDOL, Employment and Training Administration requires that each state negotiate a reasonable percent of increase in employment goals for the years FY 01, 02, and 03. Each state would choose a benchmark year and the aim would be to increase the goals attained annually.

Measure:

The percentage of WIA Adult Job Training participants who retain work for at least six months.
Sec 87(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

For FY02 and FY03, the employment goals for Adult WIA Title I participants will be measured against the Federal U.S. Department of Labor negotiated performance standards under the WIA. Historically, Alaska's program employment percentage has been 60.8% of WIA Title I Adult participants placed into full time unsubsidized jobs. Of this 60.8%, 75.5% have retained work for at least 6 months. During FY 01, Alaska achieved an overall percentage of 60% of all WIA Title I funded adults placed into full time, unsubsidized jobs, and 75% retained work for six months.

Benchmark Comparisons:

For FY02, the national employment percentage average of Adult WIA Title I participants placed into full time unsubsidized jobs is 65%. Of this 65%, 78% have retained work for at least 6 months. The USDOL performance standards are committed to continuous improvement, with a goal of a 1% increase each year. The FY03 target will be 79% of those placed into full time unsubsidized jobs will retain work for at least 6 months.

Background and Strategies:

The Workforce Investment Act of 1998 requires that all States receiving Federal funds must develop measurable performance outcomes. This performance measure is consistent with the Federal direction and expectations.

Alaska has developed appropriate job training, placement and retention strategies under the WIA State Unified Plan, to enable staff and selected service providers to successfully serve Alaska's unemployed and underemployed workers. Since 1999, the USDOL, Employment and Training Administration requires that each state negotiate a reasonable percent of increase in employment goals for the years FY 01, 02, and 03. Each state would choose a benchmark year and the aim would be to increase the goals attained annually.

Measure:

The percentage of survey respondents rating the UI services as adequate or higher.
Sec 87(b)(6) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Maintain or exceed the level of customer satisfaction, with 90% of survey respondents rating overall service as adequate or better. From the two surveys conducted in FY2001, 98% of the claimants responded that overall service was adequate or better.

Benchmark Comparisons:

Currently there are no federal standards or national benchmarks to compare surveys against other states. Surveys have been and will continue to be designed to achieve statistical reliability of 95%.

Background and Strategies:

Randomly survey unemployment insurance claimants to monitor satisfaction with benefits program and services received.

Strategies planned to ensure high level of customer satisfaction include:

- Continue biannual customer satisfaction surveys to measure level of service and to explore avenues for expansion of services.
- Develop a web based customer satisfaction database. This will improve the analysis of information provided by customers to help identify opportunities for improvement.

Measure:

The number of employers who are satisfied with the public labor exchange services they received.
Sec 87(b)(7) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Ensure that at least 65% of all employers who use the public labor exchange services are satisfied with the service they received. We are currently building surveys that will be implemented by 7/01/02, to comply with newly established Wagner-Peyser performance measures.

Benchmark Comparisons:

Of all employers that use the public labor exchange, 65% is the desired satisfaction level for the Wagner Peyser grant, which primarily funds the public labor exchange. This level is mandated by the Workforce Investment Act (WIA), which primarily funds training programs.

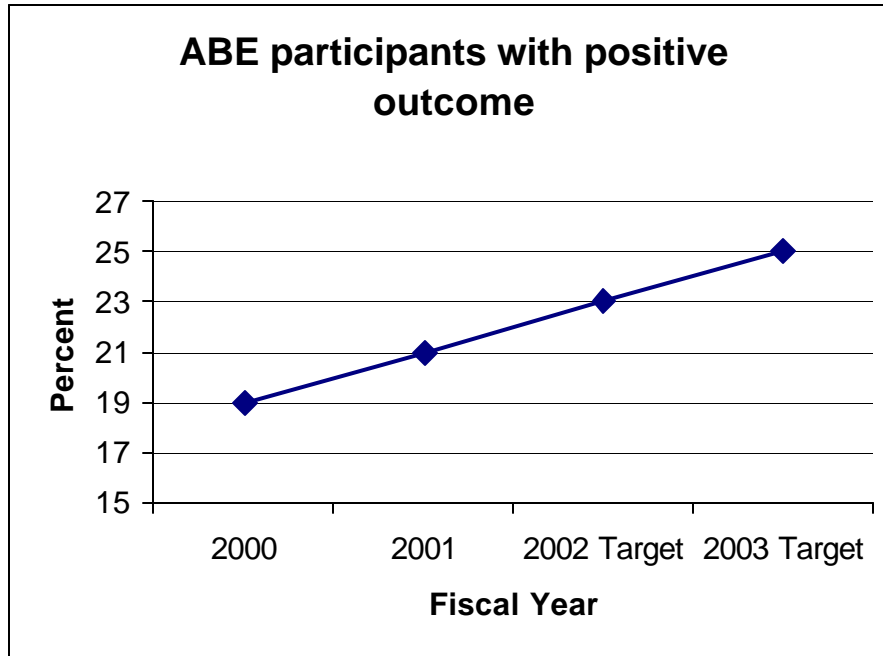
Background and Strategies:

A survey will be developed during FY02 for implementation at the start of FY03.

Measure:

Increase the percentage of Adult Basic Education students who get a GED, find or retain a job, advance to higher education/vocational training, or advance in educational levels to a combined 25%.

(Not yet addressed by Legislature)

Alaska's Target & Progress:

For FY 00, 01, and 02 the percentage of full-time Adult Basic Education clients will be measured against the FY 99 average benchmark of 19%. The goal is a 2% increase each year in each of the following positive outcomes:

- 1) Obtaining a GED;
- 2) Finding or retaining employment;
- 3) Advancing to higher education or vocational training; or
- 4) Advancing in one or more educational levels.

Benchmark Comparisons:

The FY99 average benchmark is 19%, which was derived from the statewide number of full-time Adult Education clients who achieved one of the positive outcomes. Of the total number of FY99 clients enrolled, 29% earned a GED, 10% found or retained a job, 8% advanced to higher education or vocational training, and 31% advanced two educational levels.

Background and Strategies:

Title II, Adult Education and Family Literacy of the Workforce Investment Act of 1998 requires that Adult Education programs receiving Federal funds must develop positive outcomes in the categories listed above.

Since 1998 the U.S. Department of Education, Office of Vocational and Adult Education (OVAE) requires that each state negotiate a reasonable percent of increase in measurable outcomes for the years FY 00, 01, and 02. Alaska chose FY99 as its benchmark year with the aim to increase the goals attained by 2% annually.

All local Adult Education programs in Alaska met in Anchorage twice in FY98 to develop a set of student performance standards that included the measurable outcomes. These standards were reviewed and sanctioned by the State Board of Education (ABE was located in Department of Education in FY98) and OVAE. They have since been revised to accommodate changes brought about by the Workforce Investment Act.

The goal of 25% attainment of the combined positive outcomes is again offered as a meaningful Performance Measure for the Adult Basic Education program in 2003.

Administrative Services Budget Request Unit

Contact: Remond Henderson, Director

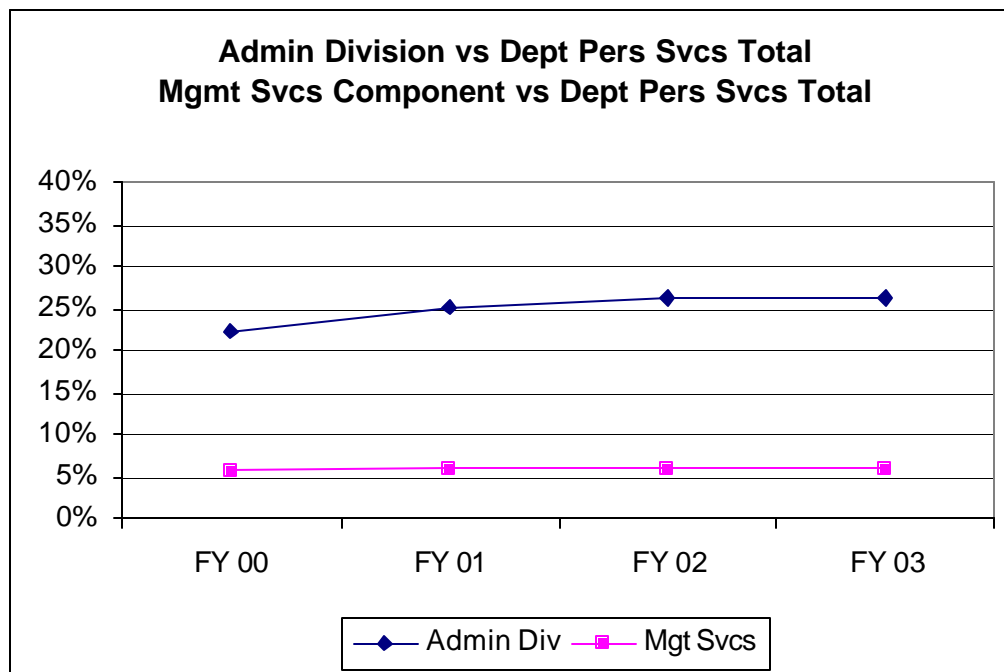
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Key Performance Measures for FY2003

Measure:

The cost of the division compared to personnel costs for the department.
Sec 89(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



This measure, as stated in HB 250, compares the total cost of the Administrative Services Division to the total personal services cost for the department. Both the measure, as stated in HB 250, and a comparison of the total costs of the Management Services component to department personal services are shown in the above graph. The target is to maintain the current percentage while exploring ways to reduce costs in the future.

Benchmark Comparisons:

The department has not yet identified a state or federal entity of comparable size and composition for which comparative data is available.

Background and Strategies:

The department wants to work with the legislature to revise this measure to compare only the Management Services component total budget to the total personal services cost of the department. The Management Services component is one of 4 budget components that make up the division. The department wants to exclude the Labor Market Information (LMI), Data Processing (DP) and DOL State Facilities components from the comparison. The LMI component is a research agency funded primarily by federal and interagency funds that produces various information products but does not act as administrative support to the department. A portion of the DP component does support the department as a whole but the majority of activity is in direct support of federal employment programs. The DOL State Facilities funds are essentially a pass through for general fund program rent payments. The inclusion of these three components distorts the intended comparison of departmental support costs.

Measure:

The number of late penalties incurred for payroll or vendor payments.

Sec 89(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Our goal is to reduce the number of warrants in FY02 with late fees to 67 (.2% of total warrants issued). The 67 warrants is based on an assumption that we will issue 33,400 warrants in FY02. This is the same number of warrants that were issued in FY01. Our penalty rate was .3% (101) of the warrants issued in FY01. This .1% proposed improvement in the rate is a 33% reduction from FY01 to FY02. For FY03 the target will be to further reduce the number of late payments to 53, this would be an additional 20% reduction to a rate of .15%

Additionally, our dollar amount goal is to reduce the amount paid for vendor late fees by \$350.00 for a total cost of \$700.00 for FY02. The total amount paid in FY01 was \$1,063.00. This goal is a 33% reduction in cost. For FY03 our target is \$560.00, this would be a 20% reduction to the FY02 amount.

Note: In FY01 there was only one payroll penalty of \$400.00 incurred. As this was an isolated incident, payroll penalties were not taken into account when setting goals.

Benchmark Comparisons:

The department has not yet identified a state or federal entity of comparable size and composition for which comparative data is available.

Background and Strategies:

There appears to be a systemic problem in receiving billings and processing payments for one vendor. Of the above totals, 43 of the 101 late payments in FY01 and 13 of the 34 to date late payments in FY02 were to this single vendor. Our plan is to eliminate this problem by priority processing of this vendor and possibly changing the billing address so statements come directly to the department's fiscal office.

Office of the Commissioner Budget Request Unit

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Key Performance Measures for FY2003

Measure:

The percentage of divisions in the department that meet assigned performance measures.
Sec 88(b)(1) Ch 90 SLA 2001(HB 250)

Background and Strategies:

The Commissioner's office monitors program performance through regular communications with division directors at weekly staff meetings.

Measure:

The number of financial audit exceptions resolved.
Sec 88(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The department's goal for resolution of audit findings is to implement corrective action within one year and obtain federal final resolution within three years of the initial identification of the audit finding. No baseline data is currently available for this measure. The agency has made progress in achieving this goal and the number of audit findings have also decreased over past three years as shown below:

FY00 FEDERAL COMPLIANCE FINDINGS – AGENCY CORRECTIVE ACTION IMPLEMENTED

- Improve controls on property management - tagging and listing of property – corrected
- Distribute data processing personal services cost according to regulations – corrected

FY99 FEDERAL COMPLIANCE FINDINGS - FEDERAL FINAL DETERMINATION

- Three quarterly reports did not match state accounting system – resolved
- Unsubstantiated and questionable report data – resolved
- Incorrect revenue figures and untimely revenue billings – resolved
- Lack of follow up on subrecipient audit findings – resolved

FY98 Federal compliance findings are in the initial determination phase and are being addressed with the Federal Office of Inspector General.

Benchmark Comparisons:

This performance measure does not readily lend itself to comparison with other entities because there are no existing performance standards established, and the resolution of audit findings is related to their complexity and to the nature of the organization's business.

Background and Strategies:

Federal financial audit exceptions are initially identified by the annual compliance audit. Although corrective actions are implemented by the agency, the final resolution of these audit findings is a multi year process requiring additional agency monitoring and paperwork. Generally, the process is:

- Agency implements corrective action to initial finding, and initiates monitoring
- Reviewed and re-reported in subsequent annual audits as a continuing and/or prior year finding
- Review and Initial determination by Federal Resolution and Appeals
- Agency responds to Initial determination
- Review and Final determination by Federal Resolution and Appeals

The Federal Final determination generally occurs two to three years after the original audit, but not necessarily in chronological order. For example, a final determination for the FY99 findings was received prior to an initial determination for the FY98 findings. Although some of the findings are the same in both reports, a final determination for one year does not resolve the issue for subsequent years.

STRATEGIES

To achieve this performance measure, resolution of audit findings is coordinated and monitored by DOL's Internal Audit. In addition, Internal Audit works to limit the potential for audit findings by documenting and reviewing areas of weakness that are identified through the annual federal compliance audit process, but are not yet considered an audit finding.

Measure:

The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.
Sec 88(b)(3) Ch 90 SLA 2001(HB 250)

Background and Strategies:

The Commissioner's office policy is 24 hour turn around on telephone calls and basic information requests if at all possible. If the inquiry is more complicated, the initial contact is still made within 24 hours and we work on resolution and stay in contact with the individual until the information is obtained and passed on to the individual. This policy does not extend to Commissioner level appeals, such as Unemployment Insurance cases, as there are standards and processes already in place.

Workers' Compensation Budget Request Unit

Contact: Paul Grossi, Director

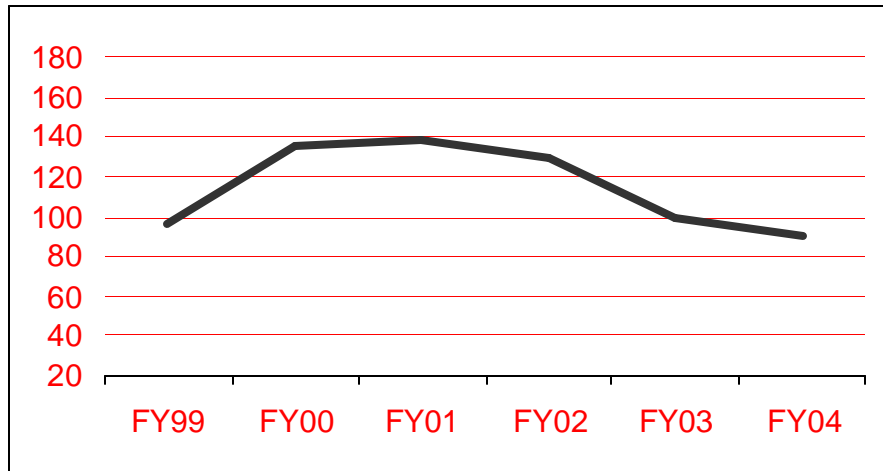
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Key Performance Measures for FY2003

Measure:

The average time taken from a compensation hearing request until the date on which the hearing is scheduled.
Sec 90(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



Reduce the time lag between the request and scheduling of a hearing.

FY99 - 95.8 days

FY00 - 135.6 days

FY01 - 137.7 days

FY02 - 130 days (projection)

FY03 - 100 days (projection)

FY04 - 90 days (projection)

The time lag has gotten worse because of two major factors: the hearing case load has been going up; and because of funding reductions, we had fewer hearing officers.

Benchmark Comparisons:

The benchmark for this measurement is 90 days. This is based on AS 23.30.110(c). This subsection of the statute provides for a hearing to be scheduled within 60 days of request if not opposed by a party. If an opposition is filed, as they are in the vast majority of cases, a prehearing must be held within 30 days to set a hearing. If the hearing is scheduled within 60 days from the prehearing, 90 days to set a hearing from the date of request is a reasonable benchmark. The division expects to be able to begin meeting the 90 day benchmark in FY04 if the current level of funding is not reduced.

Background and Strategies:

The increase in the hearing time lag was noted in FY00. There was an elimination of a hearing officer as a result of budget cuts, and at the same time there was a corresponding rise in the overall hearing caseload. The legislature granted an increment in the FY02 budget for an additional hearing officer to address the problem. The hearing officer was hired in September of 2001 and additional hearings are currently being scheduled.

The Department promulgated and the Workers' Compensation Board approved a new regulation that would require hearings to be scheduled within 60 days from prehearings to further define the legislative intent in AS 23.30.110(c).

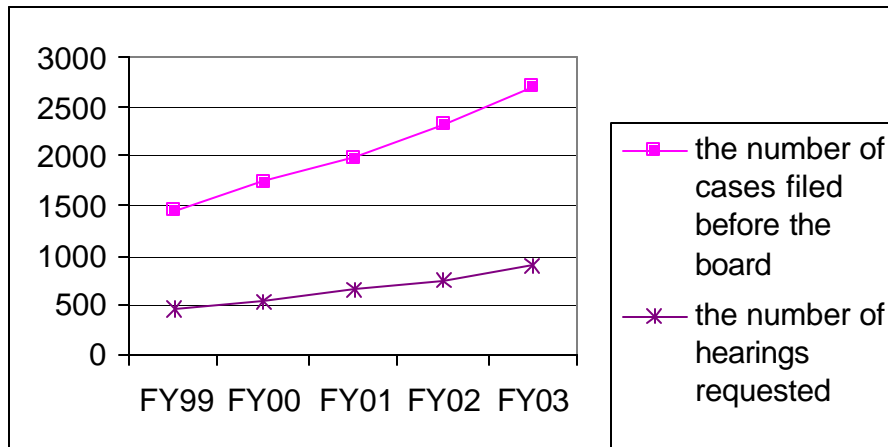
The regulation will have to be approved by the Department of Law and filed by the Lieutenant Governor to become final. The department anticipates that it will be finalized and in place by the end of fiscal year 2002.

An additional Workers' Compensation Board panel in the Anchorage venue would expedite the handling of cases to both reduce the time lag and address the back log. The department will present this situation to the legislature.

Measure:

The number of cases filed before the Workers' Compensation Board compared to the number of requests for hearing. Sec 90(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



Determine the hearing caseload

FY99 - 1446 cases filed - 459 hearings requested

FY00 - 1746 cases filed - 539 hearings requested

FY01 - 1987 cases filed - 651 hearings requested

FY02 - 2324 cases filed - 760 hearings requested (projections based on current trends)

FY03 - 2700 cases filed - 890 hearings requested (projections based on current trends)

Benchmark Comparisons:

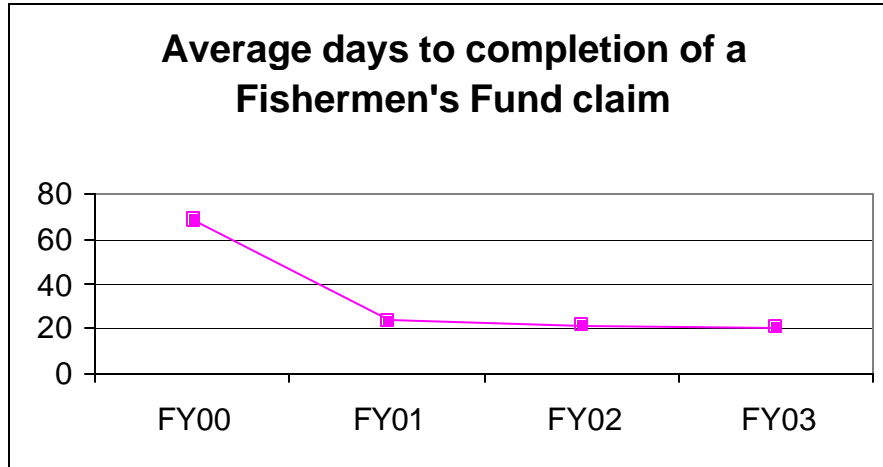
There is no benchmark for this measure. This measurement will help determine the hearing caseload to give better understanding to hearing time lag and backlog problems.

Background and Strategies:

This measurement was requested by the house legislative budget subcommittee and will track the increases in both the number of cases filed and the number of hearings. Not all cases filed reach the hearing stage as a number are settled or otherwise resolved prior to the arrival of the hearing date.

Measure:

The average time taken for completion of a Fishermen's Fund claim.
 Sec 90(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Reduce the average time to process a Fishermen's Fund Claim.

FY00 - 68.7 days
 FY01 - 23.7 days
 FY02 - 21 days (projection)
 FY03 - 20 days (projection)

Benchmark Comparisons:

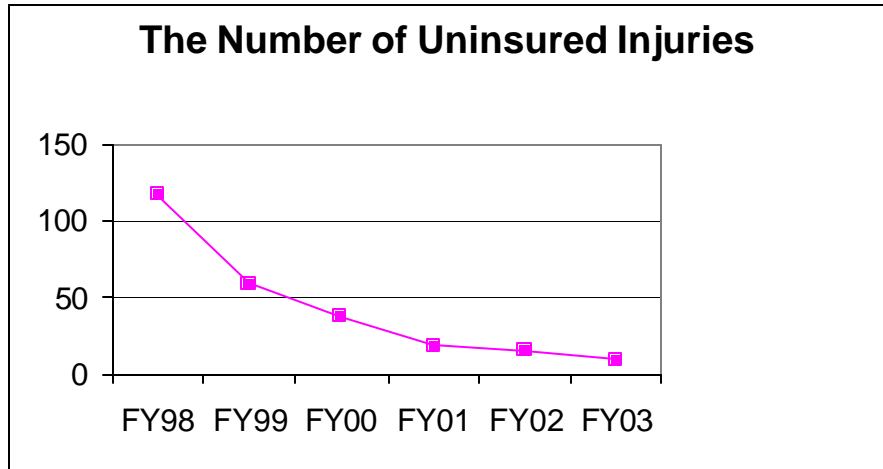
The Benchmark is 30 days. We chose this for the benchmark because the business, medical and insurance community generally accept 30-45 days as a reasonable turnaround time for the payment of bills.

Background and Strategies:

Because of complaints by fishermen and medical providers that the Fund was taking too long to pay claims, a strategy to reduce that time was needed. The agency developed a number of internal management policies to simplify the process, the forms and the requirements to create efficiencies and reduce processing time. The agency also developed a strategy of training and communicating with the providers and fishermen to aid in the filing of claims.

Measure:

The number of uninsured workplace injuries.
 Sec 90(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Reduction of uninsured injuries

FY98 - 117

FY99 - 59

FY00 - 38

FY01 - 19

FY02 - 15 (projections)

FY03 - 10 (projections)

Benchmark Comparisons:

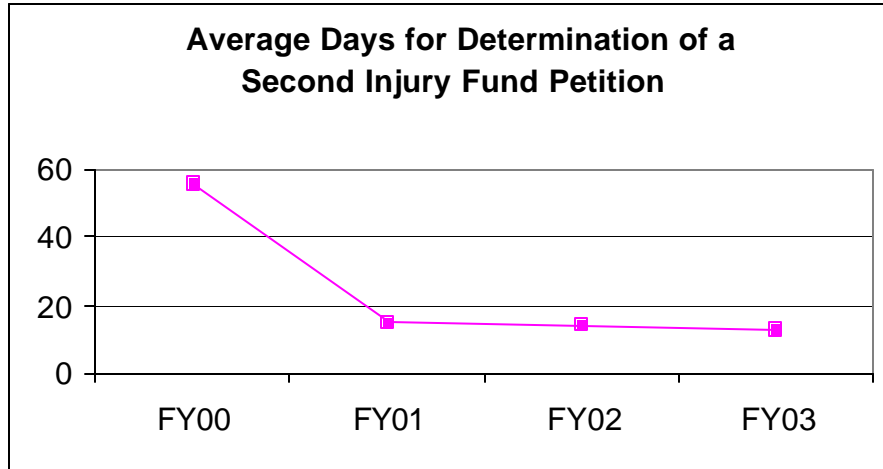
Since the law says that all employers must insure all their employees the benchmark for this must be zero uninsured injuries.

Background and Strategies:

Because of the rise of uninsured injuries the Division hired an investigator in FY99. The investigator performs investigations and promotes legal compliance through computer generated information inquiries; letters to uninsured employers; on site investigations, cease and desist orders, accusations before the Workers' Compensation Board; testimony before the Board which leads to stop orders and fines; and evidence and testimony in criminal prosecutions through the Department of Law. These activities have been greatly enhanced by the new computer system.

Measure:

The average time taken for completion of a Second Injury Fund petition.
 Sec 90(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Reduce response time on a Second Injury Fund petition determination.

FY00 - 56 days

FY01 - 15 days

FY02 - 14 days (projections)

FY03 - 13 days (projections)

Benchmark Comparisons:

The benchmark is 30 days. This benchmark is based on the premise that the insurance industry and general business practices consider 30 to 45 days to process payments a reasonable time period.

Background and Strategies:

Because the reimbursement of compensation benefits to employers is the primary function of the Second Injury Fund, and because of complaints about timeliness on decisions, monitoring the determination of Petitions for coverage is an important measure. The agency accomplished reductions by focusing on prioritizing the Petitions and organizing information gathering to make determinations as soon as possible. This effort was greatly enhanced by better computer tracking of these cases with the new computer system.

Labor Standards and Safety Budget Request Unit

Contact: Richard Mastriano, Director

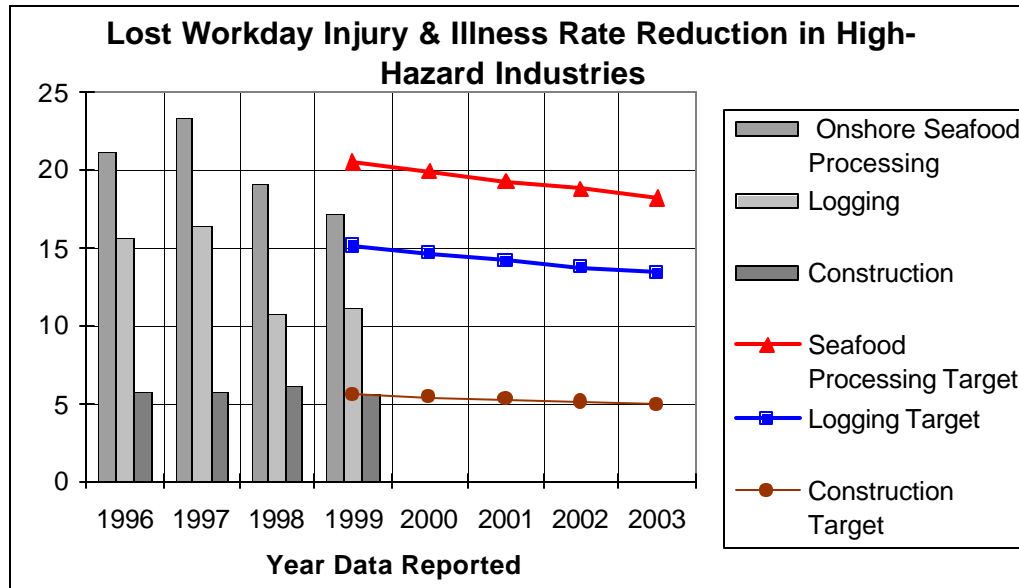
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Key Performance Measures for FY2003

Measure:

The number of lost workdays in high-hazard industries, including seafood processing, logging, and construction.
Sec 91(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



The target is to reduce injuries and illnesses in each of three high hazard industries by 15% over five years (~3% per year) by focusing on those workplaces with the highest injuries and illnesses. Targeted industries are construction, logging, and seafood processing.

Bureau of Labor Statistics Lost Workday Injury & Illness Rates for Selected Industries

	1996	1997	1998	1999	%Change 1996-1999
All Private Sector	4.1	4.2	3.9	3.8	(7.3%)
Construction	5.7	5.7	6.1	5.6	(1.8%)
Logging	15.6	16.4	10.8	11.1	(28.8%)
Onshore Seafood Processing	21.2	23.3	19.1	17.1	(19.8%)

Bureau of Labor Statistics (BLS) statistics reflect the previous calendar-year activity, not the previous budget-year activity. Because the data is reported in December of the following year, the lag is nearly two years. Targets were derived using 1996 data (latest available at that time) reduced by 3% to set the 1999 target and applying a 3% reduction to each following year. The above injury and illness rates are per 100 full time workers and all data is based on calendar years.

Benchmark Comparisons:

We have been unsuccessful in obtaining useful comparison statistics from other states. Other states use different target industries. Even though we use the same industries as the federal government, they obtain their statistics on a different set of specific criteria, which makes a comparison invalid at this time. The targets shown are the federal grant performance measures for the department.

Background and Strategies:

The Alaska Occupational Safety & Health program is involved in on-going efforts to integrate compliance assistance with enforcement strategies in order to better direct the resources of the program toward high-hazard industries and workplaces, and toward the particular hazards and issues that cause accidents or represent recognized threats to worker safety and health. Success in this area will result in reductions in lost workdays due to job-related illness or accidents.

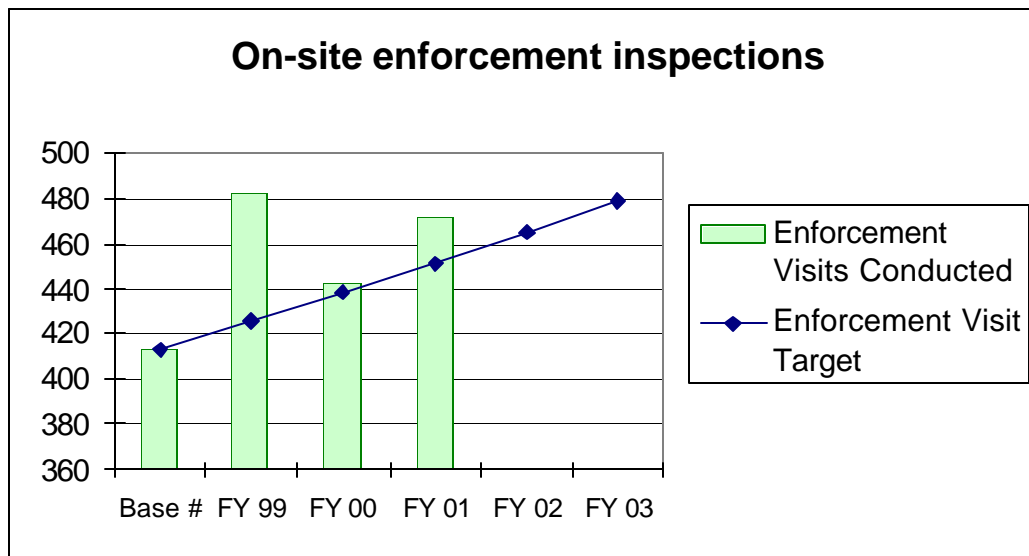
The department wishes to work with the legislature to revise this measure. As stated in statute this measure calls for the number of lost workdays. The department would like this to be revised to measure incidence rates. This change would align the measure with the program's federal grant performance measure. Also the department and federal government utilize rates in all other reporting and measuring functions.

Measure:

The number of on-site enforcement inspections.

Sec 91(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



To increase enforcement inspections by 15% over a five year period (~3% per year).

Fiscal Year	Enforcement Inspections
Base Number	413
1999	482
2000	443
2001	471

5-Year target (2003) $413 + 15\% = 475$

The base number is an average of fiscal year 1996, 1997, and 1998.

In 2001, there were two major fatality cases that took more than the average amount of time for the investigators. A new discrimination investigator was hired late in the year. These activities reduced the number of enforcement inspections that these three officers normally conduct.

Also in 2001, the consultation staff worked three months with an Acting Assistant Chief during the search for a permanent Assistant Chief of Consultation and Training. Comparing the first quarter activities of past fiscal years with this year's first quarter, it would appear that both sections are on course.

Benchmark Comparisons:

We have been unsuccessful in obtaining useful comparison statistics from other states. Other states use different target industries. Even though we use the same industries as the federal government, they obtain their statistics on a different set of specific criteria, making their benchmark inapplicable.

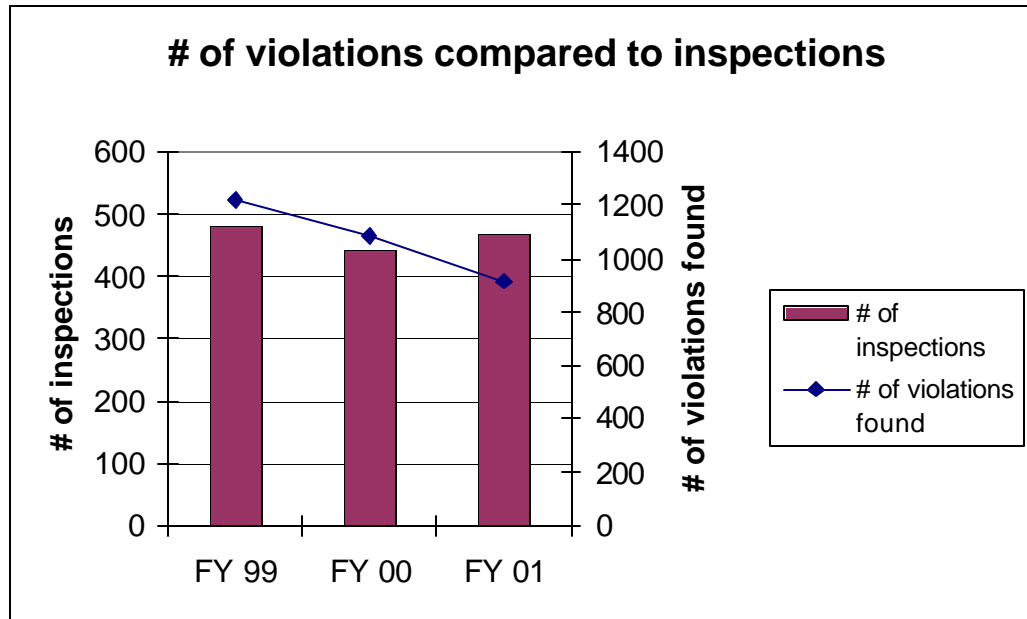
Background and Strategies:

AKOSH will continue to provide a strong enforcement presence to act as an effective deterrent for employers who fail to meet their safety and health responsibilities and as a means of leveraging the agency's resources. AKOSH voluntary and incentive programs are dependent upon the Agency maintaining an effective enforcement presence in the workplace, and AKOSH will continue to ensure that serious violators face serious consequences. At the same time, as a means to leverage enforcement and change workplace culture, the Agency will provide penalty reductions for certain employers who have established comprehensive safety and health programs.

Measure:

The percentage of violations found compared to total inspections.
Sec 91(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



Number of violations found compared to the total number of inspections

Fiscal Year	# of inspections	# of violations found
1999	482	1219
2000	443	1082
2001	471	917

Benchmark Comparisons:

There is no applicable benchmark for this percentage. Experience with this measure has shown that the percentage of violations to total number of inspections is not a useful measurement and should be revised.

Background and Strategies:

Experience has show that this measure needs to be revisited: the percentage of violations per the number of inspections conducted is not a viable measurement, as it is not within the program's control. The department believes that the performance measure should focus on the program's success rate in the correction of identified violations found during inspections. We would like to work with the legislature to revise this measure.

Measure:

The percentage of wage claims settled.
Sec 91(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Our goal is to maintain our FY 01 wage claim closure rate of 50%. The 1st quarter of FY 02 closure rate is 24%. This

is on track to meet the goal as the closure rate starts low due to the large number of open cases carried over from the previous fiscal year. As more new cases are filed and processed the closure rate increases during the course of the year.

Benchmark Comparisons:

We have been unsuccessful in obtaining useful comparison statistics from other states. This statistic is not one that is regularly recorded by enforcement agencies. Montana, which is a comparable size, doesn't track this statistic. Wyoming, also of comparable size, lacks an effective Wage and Hour program. Oregon's percentage of cases closed for FY 01 is 79%. However, this is not a good comparison because Oregon law allows the agency's administrative decisions to be automatically entered as judgments in court. Since they don't have to try disputed cases in court, they would be expected to have a much higher closure rate, which their percentage reflects.

Background and Strategies:

One-half of the component's investigative staff is still in training, with over half of those just newly appointed to fill vacancies. The learning curve for investigators is approximately one year. We anticipate a struggle to maintain a 50% closure rate for wage claims but are striving to meet that goal. Our experienced investigators are handling maximum caseloads, but we will not sacrifice quality service in order to close cases more quickly.

Measure:

The number of boiler and pressure vessel inspections completed compared to the backlog.
Sec 91(b)(5) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Our target for number of inspections is and has been constant based on 1,200 per year per full-time inspector. At current staffing levels of 3.75 full-time equivalent positions, that equals 4,500 inspections total for the program per year. Our rate of inspections has been constant for some time. Presently we are on track for this year's target.

Benchmark Comparisons:

There are no known comparable statistics in other states. The federal government does not have a boiler/pressure vessel inspection program.

Background and Strategies:

Difficulties in eliminating the backlog of overdue vessels can be attributed to several factors. Most dominant is the current number of authorized inspectors. We cannot do more, regardless of the vast improvements in number of inspections per inspector over the last three years, due to factors beyond our control, including remote locations and inclement weather for much of the year. More new vessels are coming on line than old vessels are being retired, resulting in a net increase of vessels in the inventory. The overdue vessels are not a static group we cannot get to. They are a constantly changing group due to the physical impossibility of doing any more with current resources.

In the FY 2003 budget request, the department has requested funding to support two additional pressure vessel inspectors and one administrative clerk for the program. With an additional 2,400 vessels per year being inspected, we can eliminate the majority of the backlog within three years. Given that many vessels are located in remote areas which are only visited when enough vessels are due to justify the trip, inclement weather and other uncontrollable factors make a zero backlog unrealistic. However, we could so minimize the backlog as to make it a non-issue.

Vocational Rehabilitation Budget Request Unit

Contact: Duane French, Director

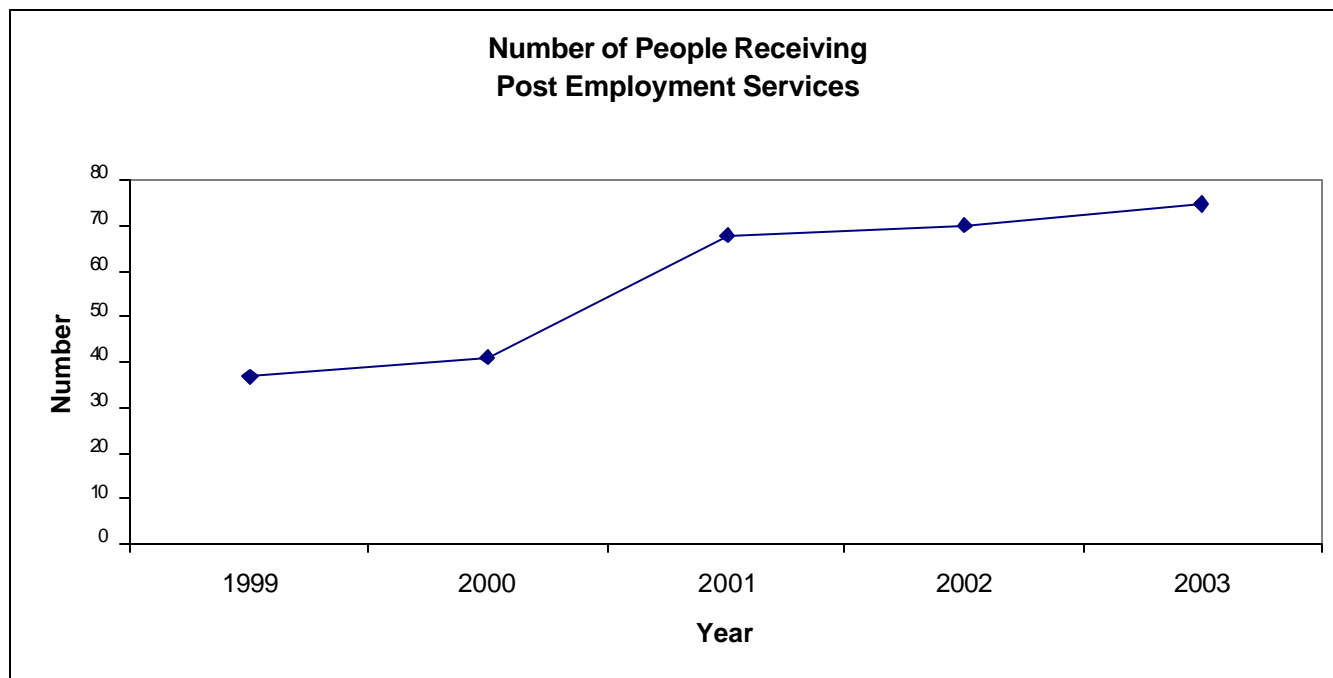
Tel: (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Duane_French@labor.state.ak.us

Key Performance Measures for FY2003

Measure:

The number of people served in post-employment services.
Sec 92(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



Provide clients post-employment services necessary to maintain, regain, or advance in employment. For state year FY01, 68 clients received post-employment services. In FY02, a target of 70 people will be provided post-employment services and 75 in FY03. In FY03 resources will be managed to provide post-employment services to all clients requiring services to maintain employment.

Benchmark Comparisons:

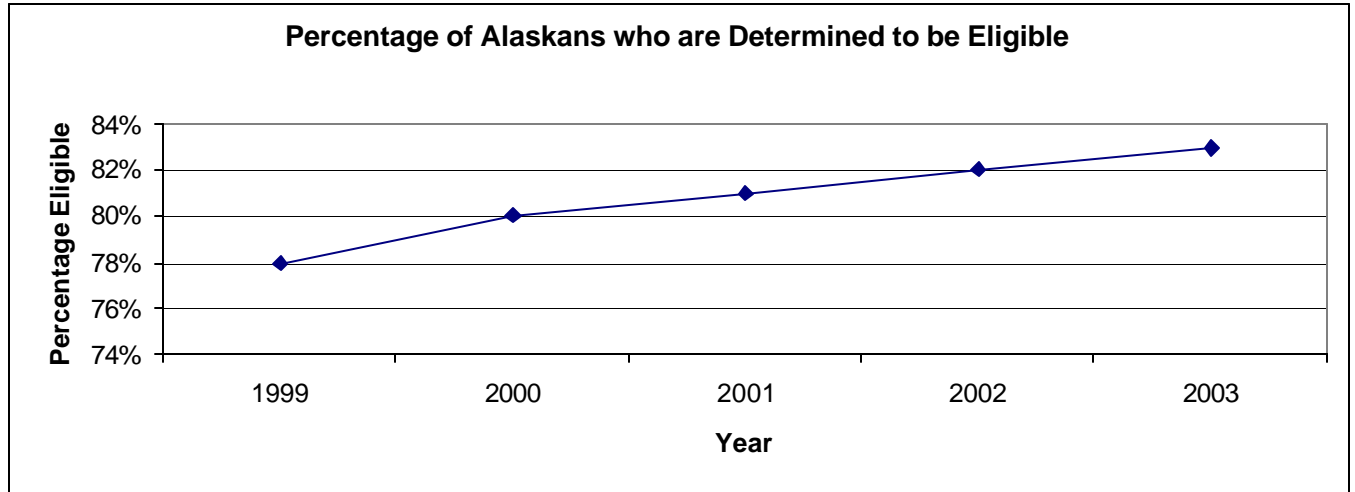
Post-employment services provided by other state vocational rehabilitation programs vary from state to state. Comparison between programs is not meaningful due to the nature of the services, diverse labor markets, and incomparable client populations.

Background and Strategies:

Post-employment services are limited in scope and duration with the intention of ensuring that the employment outcome remains consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, and interests. Vocational Rehabilitation counselors determine when post-employment services are required. All clients requiring post-employment services will receive services. Vocational Rehabilitation will continue to offer training to counselors to recognize post-employment challenges and identify allowable services.

Measure:

The percentage of Alaskans who apply for services compared to the number determined eligible and served.
 Sec 92(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Continue to serve all eligible clients. In FY01, 79.0% of Alaskans who applied for services received services as part of their Individual Employment Plan. No client eligible for services was denied services. In FY02 the program will work to increase the percentage of Alaskans who apply and become eligible to 82% and 83% in FY03.

Benchmark Comparisons:

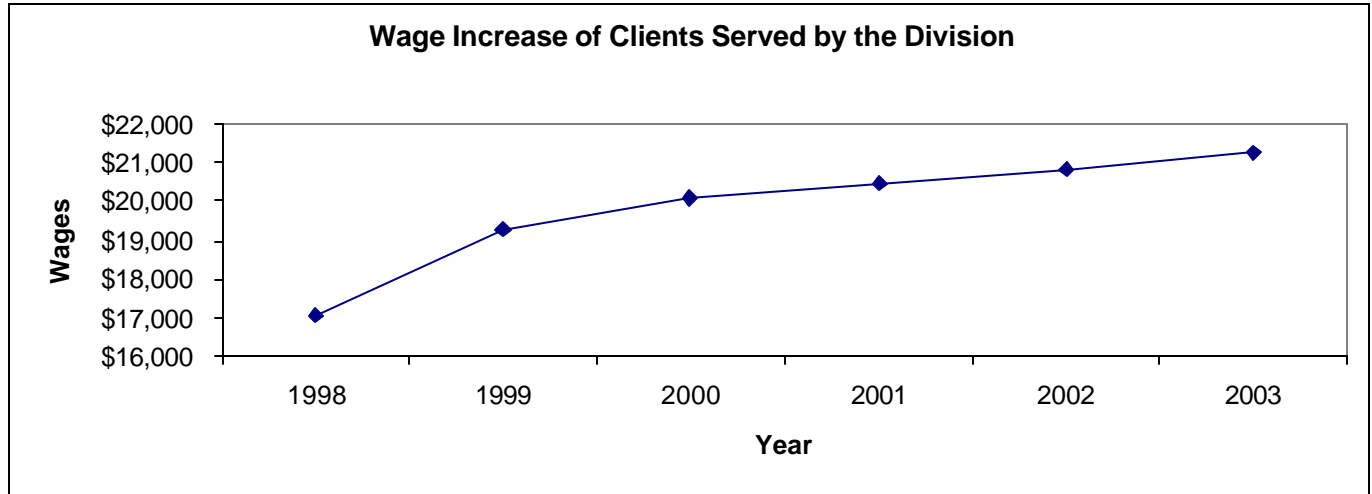
The provisions of applicant eligibility under the US Department of Education Federal (USDOE) Regulations require the following determinations: the applicant has a physical or mental impairment, the impairment constitutes or results in a substantial impediment to employment, the applicant can benefit in terms of an employment outcome from the provision of vocational rehabilitation services, and the services received will prepare the applicant to enter into, engage in, or retain gainful employment consistent with the applicant's strengths, resources, priorities, concerns, abilities, capabilities, and informed choice.

Background and Strategies:

Individuals interested in the program attend an orientation on the services provided by the program. When orientation strategies and materials are presented effectively, the number of applicants determined eligible increases. The orientation process screens individuals to determine if they need Vocational Rehabilitation services or services from other Workforce Investment programs. Vocational Rehabilitation Counselors review applications and conduct assessments for determining eligibility of services.

Measure:

The increase in wages of clients who are served by the division.
 Sec 92(b)(3) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Increase the annual wages of clients served. The average annual wage earned by Alaskans with disabilities that received services increased from \$20,084 in FY00 to \$20,425 in FY01. For FY02 and FY03 the program will work to increase the average annual wage by 2% each year. This would be to \$20,834 in FY02 and \$21,250 in FY03.

Benchmark Comparisons:

In FY98 the program established a base amount of \$17,062 for the average annual earnings of individuals with disabilities placed in the workforce.

Background and Strategies:

The program will consider that an individual has achieved an employment outcome when the following have been met:

- a) The provision of services under the individual's Individual Plan for Employment (IPE) contribute to the achievement of the employment.
- b) The employment is in the most integrated setting possible and is consistent with the individual's strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.
- c) The individual has maintained the employment for a period of at least 90 days.

Counselors will emphasize placing clients in well paying jobs with employee benefits.

Measure:

The number of individuals who enter and retain employment for at least six months after receiving services from the division.

Sec 92(b)(4) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

The program currently monitors performance for federal requirements based on the percentage of individuals who enter and retain employment 90 days after receiving services from the division. In FY01 64% of the client were employed 90 days after receiving services. The division will work with other Workforce Investment Act partners in developing a process to report data on the number of individuals employed after six months of receiving services.

Benchmark Comparisons:

Data will be evaluated during FY02 and a benchmark will be established for July 1, 2002.

Background and Strategies:

Services will be delivered through partners in the Alaska Job Centers, Native organizations and other non-profit organizations.